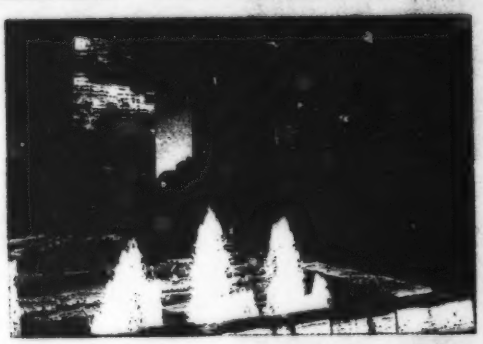
THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH



FINANCIAL REPORT 1988

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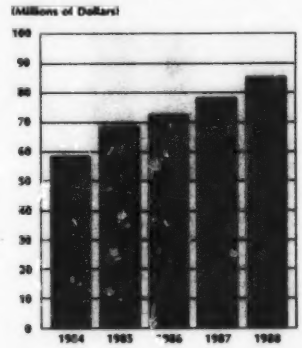
Cover Photos:

Historic house in Dundas
Scenic waterfall found in the Region
Gore Park in downtown Hamilton

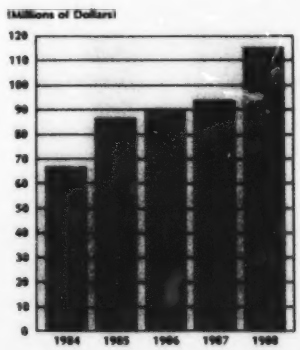
1988 FINANCIAL HIGHLIGHTS

- Operating surplus for the fifteenth straight year, $3.5 million in 1988.
- Reserves up $7.5 million, to $85.4 million.
- Net long term debt decreased by $9.3 million, to $65.9 million, or $154 per capita.
- Canadian Bond Rating Service upgraded Hamilton-Wentworth's credit rating to Triple A.
- Unexpended capital financing of $24.9 million, a 66% increase over 1987.
- Sinking Funds of $6.2 million, increased by 60%, and a surplus over actuarial requirements of $0.5 million.
- The Hamilton-Wentworth Retirement Fund and Transit Employees Pension Plan now total $138.4 million and the liability continues to be fully funded.

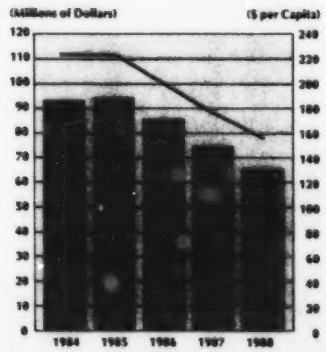
RESERVES AND RESERVE FUND



INVESTMENTS

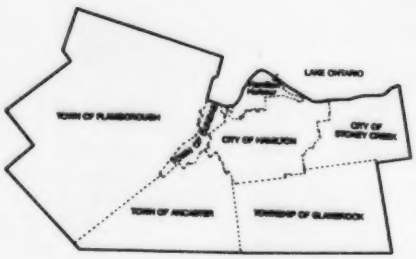


OUTSTANDING DEBT



—— $ per Capita

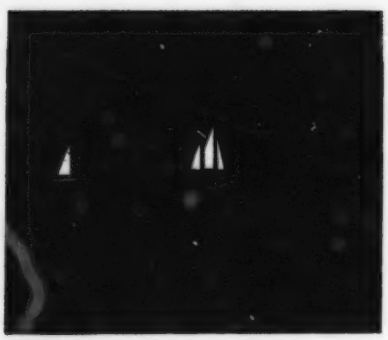
REGIONAL PROFILE



The Regional Municipality of Hamilton-Wentworth is located in the industrial heartland of Canada known as the Golden Horseshoe and covers a geographic area of 280,764 acres. The Region consists of six area municipalities, the Cities of Hamilton and Stoney Creek, the Towns of Ancaster, Dundas and Flamborough and the Township of Glanbrook.

The community of Hamilton-Wentworth contains a population of 429,000 residents of whom 72% reside in the City of Hamilton. The Region's population has increased by 15,000 people over the last five years, an upward trend that should continue. The relatively low housing costs, quality of life and location to Metropolitan Toronto are some of the advantages that make the Region an attractive area to settle in.

A gradual transformation in the composition of the area's economy has been occurring over the last few decades. Economic growth in the commercial and health care sectors has made Hamilton-Wentworth an important regional centre for business and consumer services. However, the health and strength of the local economy continues to depend on the manufacturing sector. The Region, with a diverse industrial base of 784 industries, ships in excess of $8.7 billion worth of manufactured products annually. Primary metal and metal fabricating industries consisting mainly of steel and steel-related products represent 59% of this manufactured shipment total. The food and beverage industry is a distant second at 11%, or $962 million worth of manufactured products. Business expansion in the manufacturing and service sectors has been accommodated through the establishment of nine industrial business parks in the Region.



Sailing in Hamilton Harbour

The Hamilton-Wentworth area acts as a major distribution centre, serving not only local industries, but all of southwestern Ontario and the Niagara Peninsula. The distribution of goods to national and international markets is handled by a convenient and cost efficient transportation network. The transportation system includes the recently expanded Hamilton Airport; a deep water port facility capable of handling any size of ocean vessel that can navigate the St. Lawrence Seaway; and major rail and road links. The Hamilton Harbour port situated on Lake Ontario contains 11,570 metres of docking facilities, 72,900 square metres of warehousing, and 88 hectares of shipping and transit storage land. With annual tonnage of 11 million, it is one of the busiest ports on the Great Lakes. A $30 million air cargo complex being developed at Hamilton Airport will only improve the Region's already easy accessibility to domestic and foreign markets. Freight services are provided by more than 100 trucking firms and 2 rail systems, Canadian National and Canadian Pacific.

The Region is home to some unique museums that attract tourists and area inhabitants alike. The Canadian Warplane Heritage Museum located at Hamilton Airport restores vintage military aircraft flown by Canadians. With a collection of over 40 aircraft, visitors may tour the ground displays throughout the year or attend the annual international airshow that attracts over 100,000 spectators each year. The Canadian Football Hall of Fame located in downtown Hamilton held its 25th Anniversary Induction ceremony in 1988. The Hall of Fame tracing Canadian football history over the past 100 years, has now honoured 142 members for their outstanding contribution to the game. One of the most well-known and popular tourist attractions is Dundurn Castle, a military museum and restored home of Sir Allan MacNab, Prime Minister of the United Province of Canada, 1854-56. The military museum houses

uniforms, equipment and military memorabilia from the 19th and 20th centuries. Dundurn Castle also includes a 35 room mansion restored as it would have appeared in the year 1855 and is believed to be North America's first Italianate style villa. Life in the Victorian era can also be viewed by visiting The Hamilton Museum of Steam and Technology and Whitehern. The Hamilton Museum of Steam and Technology houses 19th century waterworks technology while Whitehern features authentic Canadiana furnishings of the period.

The Hamilton-Wentworth area has an extensive park system which is enhanced by the presence of the Niagara Escarpment. With 12 Escarpment parks in the Region, the outdoor enthusiast can experience undisturbed wilderness, manicured parkland, scenic gorges and hidden waterfalls. The Hamilton Region Conservation Authority parks covering over 7,000 acres are ideal for fishing, camping, boating, hiking and winter sports. Parks with such fascinating names as Devil's Punch Bowl, Tiffany Falls, Iroquoia Heights and Crook's Hollow contain heritage museums and interpretive field centres. Although not officially in the park system, The Royal Botanical Gardens with its 2,700 acres of gardens and woodlands is the most famous park in the area. Open all year round, it is one of a handful of Botanical Gardens in the world with a Royal designation. Special floral attractions include the spring tulip display and the largest collection of lilacs in the world, over 1,000 bushes in all. Summer collections include a variety of roses and colourful annual and perennial plants. Exotic flowers such as the bottlebush and kangaroo paw can be enjoyed all year round by visiting the Mediterranean Greenhouse.

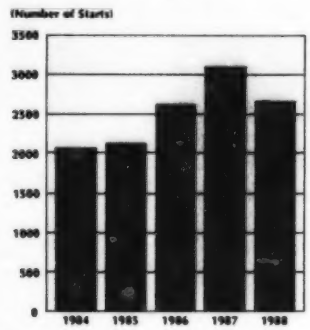
The Region of Hamilton-Wentworth, with 9 separate live theatre groups, the Hamilton Philharmonic Orchestra and 2 art galleries, has a wide range of cultural events available. First class facilities such as Hamilton Place and Copps Coliseum attract national and international performers. In addition, a new 700 seat performance facility for Theatre Aquarius is scheduled to open in 1991. There were at least nine major festivals and three fall fairs held in 1988 showcasing arts and crafts, music and theatre. Festivals include: It's Your Day; Festival of Friends; Winona Peach Festival; Dundas Cactus Festival; Festitalia; Winterfest/Mardi Gras; Oktoberfest; Cari-Can Festival; and the Boris Brott Summer Music Festival. Quiet cultural pursuits such as reading can be accommodated by the approximately 2 million books shelved at The Hamilton Public Library, Wentworth Library, and McMaster University Library systems.

Canadian Football Hall of Fame

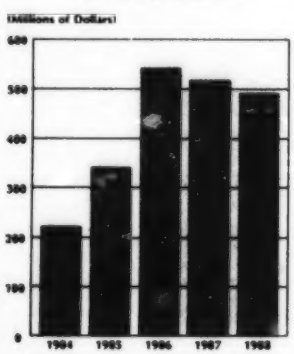
The Avro Lancaster is one of the many restored aircraft of the Canadian Warplane Heritage Museum.

BUSINESS AND ECONOMIC ENVIRONMENT

HOUSING STARTS



BUILDING PERMITS



The Hamilton-Wentworth Region's key economic indicators remained at historically high levels in 1988, reflecting a continuation of the strong economy of the last few years. Growth in building activity, job creation and business investment combined to make 1988 a year of prosperity. A positive economic picture was also painted in the hospitality industry as healthy convention and tourism figures were reported for the year.

A Province wide trend towards a levelling off of the record setting building pace of 1987 was evident. The total dollar value of building permits issued for commercial, industrial, institutional and residential activities in 1988 amounted to $489 million, a 7% decline over the previous year. Major decreases in the industrial and commercial components, at $42 million and $28 million respectively, accounted for the overall drop. An increase of $21 million in residential building activity to $330 million was indicative of the strong demand for housing in the Region. The more affordable housing prices found in Hamilton-Wentworth compared to other urban regions should ensure steady future growth in the residential construction sector. Building permits for institutional development also showed an increase from 1987 of 26%, or $15 million. In 1988, residential permits comprised 68% of the total, with commercial and institutional at 12%, and 8% for industrial.

Residential activity in the Region reached unprecedented heights as $1.9 billion worth of real estate changed hands, surpassing the previous record set in 1987 by $570 million. The rising house prices, falling interest rates and the number of new homes coming onto the market were major reasons for the real estate activity. In 1988 there were 2,631 housing starts, a decrease of 17% from 1987. The Cities of Hamilton and Stoney Creek made up 73% of all new home construction with combined housing starts of 1,912.

Several significant construction projects were announced or started in 1988. The second $30 million tower in the Canadian Imperial Bank of Commerce complex in downtown Hamilton was given the go ahead for early 1989. The development includes a 17 storey tower with 180,000 square feet of office space, an underground parking garage and a pedestrian bridge to Lloyd D. Jackson Square. Other commercial construction highlights include the Intact air cargo terminal and the new Eaton Centre shopping mall. The Intact Cargo Terminal Project at Hamilton Airport will include the construction of a 40,000 square foot building providing air cargo and aircraft maintenance services. The facility which is expected to be operational in 1989 will facilitate job development and increase assessment. The $100 million Eaton Centre development in downtown Hamilton is well underway which will include 120 new stores when completed in the summer of 1990. The increased tourism activity has sparked the construction of three new inns. The Signature Inn, Admiral Inn and Visitors Inn have added 260 more rooms to the tourist accommodation supply. Ground breaking is also expected in the new year on a new 152 room Journey's End Hotel in downtown Hamilton. Industrial news included the

construction of a new 27,000 square foot plant for Hydro-Flex Inc. in Ancaster and a 55,000 square foot building for Barton Metal Works in Stoney Creek.

The Region's unemployment rate dropped for the fifth year in a row to 5.8%, a 4% decrease since 1984. Continued high employment in the construction industry and additional job creation in the service sector were responsible. In 1988 the number of jobless in the Region decreased by 10% to 18,000, a drop of 2,000 from the previous year. At the same time the number of people employed in the Region during 1988 increased from 295,000 to 303,000, a result attributable to the increase in small business expansion and rising population base.

A total of 43 new businesses located in the Hamilton-Wentworth area during 1988, creating 745 new jobs. Thor Ceramics Ltd., a manufacturer of ceramic components was the largest new employer in the Region with 150 employees. The St. Hubert Chicken restaurant chain and Weston Bakeries, with 90 and 60 employees respectively, were the second and third largest new employers. Notable new businesses in the industrial sector included Tridon, an autoparts manufacturer with 50 employees and Ladde Textiles Inc., a supplier of industrial wipers with 45 employees.

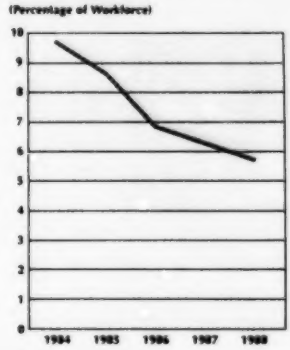
Although the number of business expansions and retentions were down in 1988 to 49 firms compared to 79 in 1987, more jobs were created. A total of 1,267 new jobs were added to the workforce as a result of business expansions, a 78% or 554 person increase in one year. The expansion of the Allan Candy company's payroll by 350 employees lead the list. Other significant business expansions occurred at Ramcor Ltd., an aluminum window and door manufacturer with 150 new employees and the Hamilton Baking Co. with 100 additional employees.

The improved employment opportunities have had a positive impact on the volume of social assistance cases. In 1988, a reduction of 467 cases to 5,542 was experienced. This caseload translates into 10,348 beneficiaries, 916 fewer than 1987. The number of beneficiaries as a percentage of the population has steadily declined over the last five years, from 3.4% in 1984 to 2.4% in 1988.

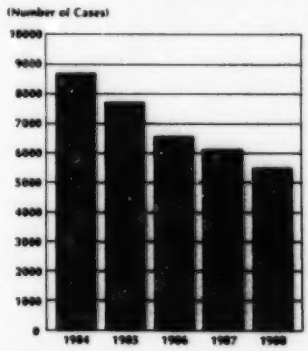
Tourism has a significant impact on the area's economy employing 32,000 people directly or indirectly. Increased marketing and promotion efforts contributed to a record breaking tourist season. In 1988, an estimated 1.2 million tourists visited the Region generating over $100 million into the community. A total of 691 motorcoaches carrying 29,255 passengers visited Hamilton-Wentworth, up 20% over the year before.

Although the number of conventions increased in 1988, overall delegate attendance was down slightly due to the nature of these conferences. The 60,000 delegates and 160,000 spectators that attended the 156 conventions held in Hamilton-Wentworth spent an estimated $127 million in the community.

UNEMPLOYMENT RATE



WELFARE CASELOAD



REPORT OF THE CHAIRMAN 1988

As the new Regional Chairman I am proud to be associated with a Region which has a history of solid economic and financial growth. From the highlights contained in this report it is evident that 1988 was yet another year of exceptional growth and accomplishment.

The sound economic environment, nurtured by careful planning and the Region's "pay-as-you-go" capital financing policy, has resulted in the decrease in the per capita debt from $224 to $154 over the past five years. In 1988, the Region increased its Reserves and Reserve Fund by 10% to $85.4 million, furthering our commitment to a reduced debt load by providing a larger resource for internal financing of new initiatives. Additional revenues for service expansions were provided by a 2.3% assessment growth, the largest growth in recent years. As further proof of the Region's financial and economic success, the Canadian Bond Rating service upgraded the Region to a triple A status.

Private sector confidence in the Region is evidenced by the high activity in the construction industry. Residential building activity increased by $21 million to $330 million with a total of 2,631 housing starts. Large scale commercial projects in progress and financed by private investment include the $100 million Eaton Centre retail complex and the second $30 million Canadian Imperial Bank of Commerce Tower. These projects will further enhance the vitality of the Region's progressive commercial and retail core.

The construction of the Intact Air Cargo Terminal Project at the Hamilton Airport increases the accessibility of the Region as a major distribution centre. Major transportation projects underway or planned such as the North/South-East/West Transportation Corridor, the Perimeter Road and future GO Transit station will only improve the already excellent infrastructure.

The Regional Municipality of Hamilton-Wentworth attracted 43 new businesses in 1988, creating 745 new jobs. In addition, 1,267 new jobs were added as a result of business expansions. This represents a 78% increase over 1987 job creation and contributed to a five year low of 5.8% unemployment in the Region.

During 1988, 1.2 million tourists visited the Region injecting $100 million into the local economy. Statistics such as these confirm that Hamilton-Wentworth is not only a great place to live and work, but is also becoming highly attractive to others as a leisure destination.

I would be remiss if I did not express my sincere thanks to the staff of professionals for their commitment to strong fiscal management.

As you review the financial statements it will become apparent that the Regional Municipality of Hamilton-Wentworth is healthy, strong, and able to meet the challenges of the future.

R. J. (Reg) Whynott
Regional Chairman

REPORT OF THE COMMISSIONER OF FINANCE 1988

It is with pleasure I present the 1988 Annual Financial Report for the Regional Municipality of Hamilton-Wentworth. The Consolidated Financial Statements contained in this report were prepared by management in accordance with accounting principles accepted for Ontario Municipalities applied on a consistent basis.

The efforts by all Regional staff to work within sound financial plans and controls greatly assisted the Region in meeting its financial and fiscal responsibilities. Once again, Hamilton-Wentworth was among the first major municipalities to file final audited results.

For the fifteenth consecutive year, Hamilton-Wentworth realized an operating surplus. This surplus of $3.5 million has been used to offset the impact of taxation in the 1989 fiscal year.

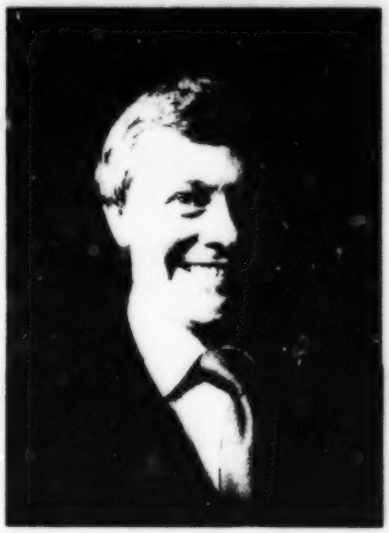
The Region's investments increased by $20 million to $113 million in 1988, a 21.5% increase over 1987. The combination of substantial returns and a significant portfolio has greatly reduced the impact of financing operations on the taxation base.

The Region's Reserves and Reserve Fund balances continued to increase in 1988 totalling $85.4 million compared to $77.9 million in 1987 and $59.3 million in 1984. This positive trend, in conjunction with decreasing debt levels, provides a reserve/debt ratio of 1.30 for 1988 compared with 1.04 in 1987 and 0.64 for 1984.

The Region's outstanding debt and debt servicing requirements continued to decline in 1988. As a result of "pay-as-you-go", capital financing needs were primarily met internally from reserves and no new debt was issued. This reduced the Region's 1988 debt load to $65.9 million from $75.3 million in 1987 and $92.8 million in 1984.

The overall financial picture appears very positive for the Region of Hamilton-Wentworth. As I have only discussed a few of the many fiscal highlights in the report, I invite you to review the contents in greater detail.

G. W. Lawson, CPFA, CGA
Treasurer & Commissioner of Finance



FIVE YEAR REVIEW

FINANCIAL (in $ 000's)	**1988**	1987	1986	1985	1984
	$	$	$	$	$
CURRENT PROGRAM ACTIVITY					
Analysis of Revenue					
Property taxation	**110,028**	99,943	90,280	83,458	78,443
Direct charges to ratepayers	**43,876**	43,072	40,225	38,469	36,383
Provincial subsidies	**99,977**	95,643	88,988	85,858	84,756
Fees and service charges	**43,466**	41,119	37,202	33,875	31,060
Other revenue	**14,752**	12,897	10,638	9,800	8,813
Surplus from previous year	**1,514**	1,534	1,535	1,384	1,117
	313,613	294,208	268,868	252,844	240,572
Analysis of Expenditure					
Salaries and wages	**130,154**	122,115	115,449	109,033	105,245
Goods and services	**79,380**	71,747	64,878	60,806	53,002
Transfer payments	**86,199**	83,440	70,417	65,975	65,982
Debt charges	**14,418**	15,392	16,590	15,495	14,959
	310,151	292,694	267,334	251,309	239,188
Accumulated Net Revenue at the end of the year	**3,462**	1,514	1,534	1,535	1,384
CAPITAL PROGRAM ACTIVITY					
Capital Expenditure	**68,558**	57,821	48,951	34,368	31,956
Capital Financing					
Contributions from own funds	**47,989**	40,701	34,970	17,118	28,937
Long term liabilities	**—**	—	—	8,169	—
Ontario grants	**25,714**	15,519	12,403	12,129	9,406
Other	**4,806**	1,973	3,991	1,862	1,815
	78,509	58,193	51,364	39,278	40,158
Unexpended Capital Financing at the end of the year	**24,975**	15,025	14,653	12,240	7,330
RESERVES AND RESERVE FUND AT THE END OF THE YEAR	**85,435**	77,903	72,398	69,496	59,320
NET LONG TERM DEBT					
General	**21,803**	26,268	30,549	34,468	29,175
Regional Enterprises	**43,253**	47,807	52,930	57,854	62,015
Reserves	**881**	1,177	1,335	1,474	1,594
	65,937	75,252	84,814	93,796	92,784
CHARGES FOR NET LONG TERM DEBT					
General	**6,214**	6,382	6,840	5,885	5,579
Regional Enterprises	**8,203**	9,010	9,750	9,610	9,380
Reserves	**338**	204	201	203	203
	14,755	15,596	16,791	15,698	15,162

	1988	1987	1986	1985	1984
	$	$	$	$	$
TAXABLE ASSESSMENT (in $ 000's)					
Residential and farm	**782,575**	759,597	740,684	725,887	716,481
Commercial and industrial	**325,939**	321,961	317,630	315,167	309,458
Business	**153,383**	151,510	149,473	148,314	145,627
Total	**1,261,897**	1,233,068	1,207,787	1,189,368	1,171,566
Commercial, industrial and business as a percentage of total	**38.0%**	38.4%	38.7%	39.0%	38.8%
STATISTICAL					
Population	**429,466**	425,243	423,398	421,264	414,469
Area in acres	**280,764**	280,764	280,764	280,764	280,764
Employees					
Continuous full-time	**3,427**	3,260	3,222	3,170	3,125
Part-time	**632**	587	575	620	617
Households	**168,810**	166,115	163,607	160,974	157,141
PER CAPITA INFORMATION					
Taxable assessment	**$ 2,938**	$ 2,900	$ 2,853	$ 2,823	$ 2,829
Current expenditure	**$ 722**	$ 688	$ 631	$ 597	$ 577
Net Long Term Debt					
General	**$ 51**	$ 62	$ 72	$ 82	$ 70
Regional enterprises	**101**	112	125	137	150
Reserves	**2**	3	3	4	4
	$ 154	$ 177	$ 200	$ 223	$ 224
Charges for Net Long Term Debt					
General	**$ 14**	$ 15	$ 16	$ 13	$ 13
Regional enterprises	**19**	21	23	23	23
Reserves	**1**	—	—	1	1
	$ 34	$ 36	$ 39	$ 37	$ 37

Jogging in Cootes Paradise, Dundas

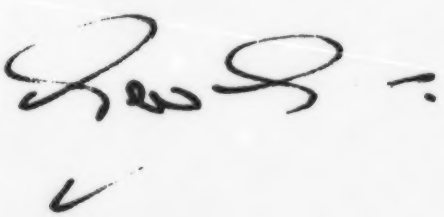
MANAGEMENT REPORT

The management of The Regional Municipality of Hamilton-Wentworth is responsible for the integrity and objectivity of the financial information and representations contained in the consolidated financial statements and other sections of their financial report. The consolidated financial statements, which in part, are based on informed judgements and estimates made by management, have been prepared by management in accordance with the accounting principles disclosed in note (1) of the notes to the consolidated financial statements, applied on a consistent basis.

To assist in carrying out their responsibility, management maintains an accounting system and related controls which will provide reasonable assurance that transactions are executed and recorded in accordance with its authorization, that assets are properly safeguarded and accounted for, and that financial records are reliable for preparation of financial statements.

The Region's independent auditors, Pannell Kerr MacGillivray, are engaged to express an opinion as to whether these consolidated financial statements present fairly the Region's financial position and operating results in accordance with the accounting principles disclosed in note (1) of the notes to the consolidated financial statements consistently applied. Their opinion is based on procedures believed by them to be sufficient to support such an opinion.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in note (1) of the notes to the consolidated financial statements. Financial information elsewhere in this Financial Report is consistent with that in the consolidated financial statements.



G. W. Lawson, CPFA, CGA
Treasurer & Commissioner of Finance
March 8, 1989

SCHEDULE OF CURRENT OPERATIONS
for the year ended December 31, 1988

	1988 $	1987 $
REVENUE		
Taxation and user charges		
Residential and farm taxation	**66,017**	59,966
Commercial, industrial and business taxation	**44,011**	39,977
User charges	**98,122**	93,248
Grants		
Government of Canada	**851**	718
Province of Ontario	**99,977**	95,643
Other		
Investment income	**767**	751
Other	**1,158**	794
	310,903	291,097
EXPENDITURE		
General government	**11,016**	7,830
Protection to persons and property	**50,277**	47,588
Transportation services	**64,057**	61,906
Environmental services	**49,394**	46,119
Health services	**10,003**	9,188
Social and family services	**74,940**	71,891
Recreation and cultural services	**4,118**	4,229
Planning and development	**5,899**	5,361
Net Appropriations to Other Funds		
Reserves and reserve fund	**13,163**	13,673
Capital fund	**26,088**	23,332
	308,955	291,117
SURPLUS AT THE BEGINNING OF THE YEAR	**1,514**	1,534
SURPLUS AT THE END OF THE YEAR	**3,462**	1,514

(Unaudited)

All amounts are in thousands of dollars

SCHEDULE OF CAPITAL OPERATIONS
for the year ended December 31, 1988

	1988 $	1987 $
REVENUE		
Province of Ontario grants	**25,714**	15,519
Other	**4,806**	1,973
Net appropriations from other funds		
Current operating fund	**26,088**	23,332
Reserves and reserve fund	**21,900**	17,369
	78,508	58,193
EXPENDITURE		
General government	**1,409**	485
Protection to persons & property	**367**	809
Transportation services	**32,670**	28,202
Environmental services	**26,976**	22,954
Health services	**6,086**	2,547
Social and family services	**—**	803
Planning and development	**1,050**	2,021
	68,558	57,821
UNEXPENDED CAPITAL FINANCING AT THE BEGINNING OF THE YEAR	**15,025**	14,653
UNEXPENDED CAPITAL FINANCING AT THE END OF THE YEAR	**24,975**	15,025

(Unaudited)

All amounts are in thousands of dollars

RESERVES AND RESERVE FUND STATEMENT OF CONTINUITY
for the year ended December 31, 1988

	1988 $	1987 $
AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE PURPOSES	**77,903**	72,399
REVENUE		
Contributions from the current operating fund	**14,359**	15,207
Contributions from the capital fund	**2,312**	2,593
Contributions from developers	**3,691**	2,290
Local improvement recoveries	**4,292**	3,193
Proceeds, sales, fees, other	**4,722**	3,505
Interest earned	**7,599**	7,545
Pension surplus recoverable	**1,803**	—
	38,778	34,333
EXPENDITURE		
Transfers to the current operating fund	**1,196**	1,534
Transfers to the capital fund	**24,212**	19,963
Charges for long term liabilities	**338**	204
General	**5,500**	7,128
	31,246	28,829
AVAILABLE AT THE END OF THE YEAR FOR FUTURE PURPOSES	**85,435**	77,903

(Unaudited)

All amounts are in thousands of dollars

CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 1988

	1988 $	1987 $
SOURCES OF FINANCING		
Taxation and user charges		
Residential and farm taxation	**66,017**	59,966
Commercial, industrial and business taxation	**44,011**	39,977
User charges	**99,332**	93,833
	209,360	193,776
Grants		
Government of Canada	**851**	718
Province of Ontario	**125,690**	111,162
	126,541	111,880
Other		
Investment income	**8,366**	8,296
Other	**19,263**	11,170
	27,629	19,466
REGIONAL FUND BALANCES AT THE BEGINNING OF THE YEAR (note 7 [a])		
Current operating fund, to be used to offset taxation	**1,514**	1,534
Unexpended capital financing	**15,025**	14,653
TOTAL FINANCING AVAILABLE	**380,069**	341,309

All amounts are in thousands of dollars

The accompanying notes are an integral part of this financial statement

	1988 $	1987 $
APPLIED TO		
Current operations		
General government	**12,842**	9,727
Protection to persons and property	**50,277**	47,635
Transportation services	**64,152**	61,906
Environmental services	**49,529**	46,119
Health services	**10,146**	9,300
Social and family services	**74,941**	71,891
Recreation and cultural services	**4,118**	4,229
Planning and development	**5,899**	5,361
	271,904	256,168
Capital operations		
General government	**2,632**	891
Protection to persons and property	**1,059**	1,814
Transportation services	**33,183**	28,253
Environmental services	**28,119**	25,832
Health services	**6,086**	2,581
Social and family services	**—**	803
Planning and development	**1,117**	2,923
	72,196	63,097
Net change to reserves and reserve fund	**7,532**	5,505
REGIONAL FUND BALANCES AT THE END OF THE YEAR (note 7 [a])		
Current operating fund, to be used to offset taxation	**3,462**	1,514
Unexpended capital financing	**24,975**	15,025
TOTAL APPLICATIONS DURING THE YEAR	**380,069**	341,309

CONSOLIDATED BALANCE SHEET
as at December 31, 1988

	1988 $	1987 $
ASSETS		
Unrestricted		
Investments (note 3)	**97,740**	71,955
User charges receivable	**6,355**	5,571
Accounts receivable	**39,547**	40,075
Other current assets	**3,915**	4,355
Investment in own debentures (note 3)	**7,124**	12,863
	154,681	134,819
Restricted		
Investments (note 3)	**8,467**	8,489
Capital Outlay		
Capital outlay financed by long term liabilities and to be recovered in future years (note 1 [b][iii])	**64,371**	72,623
Add: loss on foreign exchange (note 6 [b])	**1,566**	2,629
	65,937	75,252
	229,085	218,560
LIABILITIES		
Temporary loans	**1,826**	2,346
Accounts payable & accrued liabilities	**38,615**	38,232
Other current liabilities	**8,835**	8,288
	49,276	48,866
Net long term liabilities (note 6)	**65,937**	75,252
FUND BALANCES		
Current operating fund, to be used to offset taxation in subsequent year (note 7 [a])	**3,462**	1,514
Unexpended capital financing (note 7 [a])	**24,975**	15,025
Reserves (note 5, 7 [b], 8, 10 [d], 13)	**76,968**	69,414
Reserve fund (note 8)	**8,467**	8,489
	229,085	218,560

All amounts are in thousands of dollars

The accompanying notes are an integral part of this financial statement

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of The Regional Municipality of Hamilton-Wentworth are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

(i) The consolidated financial statements reflect the assets, liabilities, sources of financing and expenditure of the revenue fund, capital fund, reserve fund and reserves and includes the activities of all committees of Council and the following local boards and Regional enterprises which are under the control of Council:

Wentworth Library Board
Hamilton-Wentworth Regional Board of Commissioners of Police

All interfund assets and liabilities and interfund expenditure and revenue have been eliminated in the consolidated statements.

(ii) The financial activities of certain local boards and entities are not consolidated except to the extent of amounts due to or due from those entities and the Region's contribution to those entities. Those entities which are not consolidated are as follows:

Hamilton Civic Hospitals	Disabled and Aged Regional Transit System
Royal Botanical Gardens	Hamilton-Wentworth Retirement Fund
Children's Aid Societies	Transit Employees Pension Plan
Conservation Authorities	

(iii) Regionally administered programs which are fully funded by the Province of Ontario on the basis of a March 31 year-end are excluded from these statements. Those programs which are not consolidated are as follows:

Teaching Health Unit	Drug and Alcohol Assessment
Case Management	Child and Adolescent Services

(iv) Trust Funds and their related operations administered by the Region are not consolidated but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

(b) Basis of Accounting

(i) Accrual Accounting

Sources of financing and expenditure are reported on the accrual basis of accounting with the exception of principal charges on long term liabilities, vested sick leave benefits and contributions to defined benefit pension plans, all of which are charged to operations in the periods in which they are paid.

The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditure is recognized as it is incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported in the year of acquisition as an expenditure on the Consolidated Statement of Operations.

(iii) Capital Outlay to be Recovered in Future Years

Capital outlay to be recovered in future years represents the outstanding principal portion of unmatured long term liabilities and is reported on the Consolidated Balance Sheet.

(iv) Investments

Investments are reported at cost on the Consolidated Balance Sheet.

(v) Foreign Currency Translation

Long term liabilities denominated in foreign currency are translated into Canadian dollars at the rate of exchange prevailing at December 31, 1988.

2. TRUST FUNDS

Trust funds and their related operations administered by the Region amounting to $2,495,176 (1987 - $2,308,000) are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

3. INVESTMENTS

The investments totalling $113,331,000 (1987 - $93,307,000) reported on the Consolidated Balance Sheet at cost, have a market value of $112,084,000 (1987 - $94,308,000) at the end of the year.

4. PENSION AGREEMENTS

(a) Hamilton-Wentworth Retirement Fund

Approximately 108 employees of the Region are members of this plan and will be future beneficiaries under the terms and conditions of this pension plan. As at December 31, 1988 the plan is estimated to be fully funded.

(b) Transit Employees Pension Plan

Approximately 787 employees of the Region are members of this plan and will be future beneficiaries under the terms and conditions of this pension plan. As at December 31, 1988 the plan is estimated to be fully funded.

(c) Ontario Municipal Employees Retirement System

(i) The Region makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 2,469 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The Region's share of contributions to OMERS for 1988 was $4,660,000 (1987 - $4,196,000) for current service and is included as an expenditure on the Consolidated Statement of Operations.

(ii) In 1988, the Region was notified by OMERS that it had made excess contributions under the Police Type III, early retirement benefit Agreement, in the amount of $1,803,000.

The Type III benefit Agreement was entirely funded by Employer contributions and was designed to allow those Police personnel who had combined minimum age 50 and 30 years of service to retire prior to age 60.

The demand under this Agreement fell short of that forecast, resulting in excess contributions being made when the 85 factor was introduced, combining minimum age 50 with service to equal minimum 85.

OMERS has given the Region a number of options to recover these excess contributions. At the Balance Sheet date, Regional Council has not approved any course of action with respect to this surplus, and therefore a reserve has been set up pending their approval.

(d) Retirement Plan

A plan for Councillors was approved by Regional Council (Minute 2-85, Item #11). The cost of funding this plan for past service contributions amounting to $340,000 was financed from the contingency reserve and transferred to a reserve.

An amount of $34,483 (1987 - $33,000) has been provided for current service and is included as an expenditure on the Consolidated Statement of Operations.

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Region's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $11,971,000 (1987 - $11,880,000) at the end of the year. An amount of $802,141 (1987 - $669,448) was paid to employees who left the Region's employment during the current year.

A reserve has been established to provide for this past service liability and is reported on the Consolidated Balance Sheet. The balance at the end of the year is $4,043,000 (1987 - $5,226,000). An amount of $1,247,000 (1987 - $934,000) has been provided for in the current year and is reported as an expenditure on the Consolidated Statement of Operations.

The outstanding liability for general Regional employees as determined by an actuary is estimated to be fully funded. An unfunded liability of $8,107,000 is attributable to the Hamilton-Wentworth Regional Board of Commissioners of Police. An amount of $350,000 (1987 - $346,500) was provided in the Police operating budget. One percent of Police salaries will continue to be budgeted each year and this is estimated to be sufficient to cover annual payouts.

Anticipated payments over the next five years to employees who will be eligible to retire are:

1989	1990	1991	1992	1993	Total
$106,679	$60,063	$112,085	$72,384	$118,254	$469,465

6. NET LONG TERM LIABILITIES

(a) In addition to long term liabilities incurred directly, the Region has assumed the responsibility for the charges on debt originally incurred by local municipalities in respect of functions which are now a Regional responsibility.

As well as incurring long term liabilities for Regional purposes, the Region also incurs long term liabilities on behalf of the Area Municipalities and School Boards. The responsibility for raising the amounts required to service this debt lies with the respective Area Municipalities and School Boards.

The Region is contingently liable for long term liabilities with respect to tile drainage and shoreline property assistance loans, and for debentures for which the responsibility for the payment of principal and interest has been assumed by Area Municipalities, School Boards and unconsolidated local boards, municipal enterprises, and utilities. The total amount of this contingent liability outstanding as at December 31, 1988 is $76,768,000 (1987 - $52,337,000) and is not reported on the Consolidated Balance Sheet.

(b)

The balance of net long term liabilities reported on the Consolidated Balance Sheet is made up of the following:	**1988** **$ (000's)**	1987 $ (000's)
Long term liabilities incurred by the Region	**120,880**	102,007
Long term liabilities incurred by others for which the Region has assumed responsibility	**24,995**	28,678
Long term liabilities incurred by the Region for which other governments have assumed responsibility	**(76,768)**	(52,337)
Sinking fund and Ministry of the Environment debt retirement fund accumulated to the end of the year to retire the Region's related long term liabilities	**(3,170)**	(3,096)
Net long term liabilities at the end of the year	**65,937**	75,252

Included in "Net long term liabilities" on the Consolidated Balance Sheet is an amount of $7,474,000 (1987 - $8,774,000) payable in U.S. dollars, which has been converted into Canadian dollars at the rate of exchange prevailing at the balance sheet date. If the liability were converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred, there would be no material gain or loss on exchange.

Approval of the Ontario Municipal Board has been obtained for the long term liabilities issued in the name of the Region.

(c) Of the net long term liabilities certain principal payments do not represent a burden on general Regional revenue, as they are to be recovered in future years from other sources. The total principal payments for the periods 1989 to 1993, 1994 to 1998, and 1999 and thereafter and the source of financing are summarized as follows:

	1989 to 1993	1994 to 1998	1999 and thereafter	Total Outstanding Debt Dec. 31 1988	Dec. 31 1987
	$ (000's)	$ (000's)	$ (000's)	$ (000's)	$ (000's)
Special charges on benefitting landowners	2,756	1,048	0	3,804	4,231
Water rates	11,580	3,259	265	15,104	17,679
Sewer rates	7,200	6,325	10,821	24,346	25,897
Reserves	815	65	0	880	1,177
Total from other sources	22,351	10,697	11,086	44,134	48,984
Total from general revenue	16,071	5,732	0	21,803	26,268
Total	38,422	16,429	11,086	65,937	75,252

7. FUND BALANCES AT THE END OF THE YEAR

(a) Fund balances on the "Consolidated Statement of Operations" of $3,462,000 (1987 - $1,514,000) and $24,975,000 (1987 - $15,025,000) at the end of the year are comprised of the following:

	1988 $ (000's)	1987 $ (000's)
For general reduction of taxation	**3,462**	1,514
Funds available for capital expenditure	**52,512**	33,912
Capital expenditure to be financed through reserves and reserve funds	**(8,670)**	(16,088)
Capital expenditure to be financed from the capital levy	**(18,867)**	(2,799)
	24,975	15,025
	28,437	16,539

(b) The balance available for the general reduction of taxation for the fiscal year ending December 31, 1988 has been reduced by an amount of $101,000 (1987 - $638,000) transferred to the Winter Control reserve as authorized by Regional Council (Minute 2-87, Item #5).

8. RESERVES AND RESERVE FUND

The total balances of reserves and reserve fund of $76,968,000 (1987 - $69,414,000) and $8,467,000 (1987 - $8,489,000) respectively are made up of the following:

	1988 $ (000's)	1987 $ (000's)
Reserves set aside for specific purposes by Council		
Capital Programs	**53,375**	48,884
Ministry of the Environment Contingencies	**546**	781
Debt Retirement	**4,096**	4,413
Sick Leave Liability	**4,031**	5,218
Replacement of Equipment	**3,245**	3,355
Self Insurance	**6,500**	5,418
Workers' Compensation	**2,397**	426
OMERS Pension Surplus	**1,803**	-
Other	**975**	919
	76,968	69,414
Reserve fund set aside for specific purposes by legislation		
Lot levies	**8,467**	8,489
Total	**85,435**	77,903

9. CHARGES FOR NET LONG TERM LIABILITIES

	1988 $ (000's)	1987 $ (000's)
(a) Total charges for the year for net long term liabilities were as follows:		
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	**8,037**	7,975
Interest	**6,718**	7,621
	14,755	15,596
(b) Total charges for the year for net long term liabilities were recovered as follows:		
General Regional revenue	**6,214**	6,382
Regional Enterprises	**8,203**	9,010
Reserves	**338**	204
	14,755	15,596

10. CONTINGENT LIABILITIES

(a) A contingent liability for the potential awards for injurious affection of the lands located in the area of a Regional landfill site could exist, if the Court decides that this kind of injurious affection is compensable. The potential compensation may be approximately $800,000. At the end of the year the outcome is not determinable.

(b) The Region has assumed the liability for any cost awarded under the Workers' Compensation Act. An amount of $2,397,000 (1987 - $426,000) has been provided for this liability and is reported on the Consolidated Balance Sheet as a reserve. Payments charged against operations in the current year amounted to $903,000 (1987 - $931,000).

(c) On June 8th, 1987, the Ontario Municipal Board ruled in favour of an assessment appeal by Dofasco which could require the Region to repay approximately $1,000,000 of taxes for years 1984, 1985 and 1987. The Region has estimated the 1988 contingent liability to be approximately $400,000 (1987 - $400,000), and a provision was made in the 1988 operating budget. A contingent liability for the potential repayment of Dofasco taxes received through the City of Hamilton would exist, if the courts uphold the decision of the Ontario Municipal Board. The Region, the City of Hamilton and the Hamilton Board of Education are jointly appealing this decision. The appeal was heard by the Divisional Court on August 24, 25 and 26, 1988. At the end of the year, no decision had been rendered by the Court.

(d) Other legal actions are outstanding against the Region, the potential total liability for which is not significant and are adequately covered by the Insurance Reserves.

11. CONTRACTUAL OBLIGATIONS

(a) The Region has agreements with the Ministry of the Environment, Ontario Housing Assistance Program and Ontario Land Corporation for various capital projects. The outstanding future obligations under these agreements amount to $14,327,000 (1987 - $14,194,000). The source of funds for future payments under these agreements will be through the Region's capital budget and related capital financing plan.

(b) The Region has outstanding contractual obligations of approximately $15,974,000 (1987 - $14,676,000) for capital works. Regional Council has authorized the financing of these obligations.

(c) The Region has executed lease agreements requiring annual payments chargeable to future years as they become due and payable. The only agreements of any significance are those for administrative office space. The estimated payment in each of the next three years is approximately $1,436,000 (1987 - $968,000) per year. In 1992, a new Regional headquarters will increase the annual lease obligation to approximately $2,673,000, although there is at the Balance Sheet date an appeal to Provincial Cabinet with respect to the Ontario Municipal Board decision.

(d) The Region has entered into an agreement with Tricil Limited for the disposal of the Region's solid waste. The agreement escalates by the application of an annual inflation factor. The cost for 1988 was $9,146,000 (1987 - $8,835,000). The agreement expires December 31, 1995.

12. BUDGET FIGURES

Budgets established for Capital Funds, Reserves and Reserve Funds are based on a project oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Operations.

13. PUBLIC LIABILITY INSURANCE

In recent years there have been substantial increases in the premiums charged by the insurance industry for public liability insurance. As a result, the Region has undertaken some portion of the risk, which would normally have been covered by outside insurers.

The Region is self insured for public liability claims up to $500,000, for any individual claim or for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of this limit.

The Region has a Reserve for Allocated Self Insurance claims which as at December 31, 1988 amounted to $1,464,935 (1987 - $1,031,000) and is reported on the Consolidated Balance Sheet under Reserves. Claims settled for the year of $151,452 (1987 - $388,785), and for prior years of $225,163 (1987 - $183,000), have been provided for from the reserve, and have been reported as an expenditure on the Consolidated Statement of Operations.

There were seven major claims unsettled as at December 31, 1988. The largest claim involved sewer back-ups. The reserves are sufficient to cover the Region's liability for any successful claims.

No opinion is expressed concerning the outcome of the above claims.

In addition, the Region maintains a general Unallocated Insurance Reserve which amounted to $5,035,040 as at December 31, 1988 (1987 - $4,388,000). This reserve can be used to supplement the Self Insurance Reserve for potential cost overruns arising from unforeseen claim awards and unanticipated premium increases.

14. CHANGE IN ACCOUNTING POLICY

At the direction of the Ministry of Municipal Affairs, the Region has changed the method used to translate long term liabilities denominated in foreign currency. In prior years, long term liabilities were translated at the rate of exchange in effect when the transaction occurred. The Region now translates long term liabilities at the rate of exchange in effect at the balance sheet date. This change has been applied retroactively.

AUDITORS' REPORT

To the Chairman,
The Members of Council,
Inhabitants and Ratepayers
of the Corporation of
The Regional Municipality
of Hamilton-Wentworth.

We have examined the consolidated balance sheet of the Corporation of The Regional Municipality of Hamilton-Wentworth as at December 31, 1988 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of The Regional Municipality of Hamilton-Wentworth as at December 31, 1988 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note (1) to the financial statements applied, after giving retroactive effect to the change in the method of translating long term liabilities denominated in a foreign currency, as explained in note 14 to the financial statements, on a basis consistent with that of the preceding year.

Pannell Kerr MacGillivray

Hamilton, Ontario
March 8, 1989

PANNELL KERR MacGILLIVRAY
Chartered Accountants

TRUST FUND FINANCIAL STATEMENTS

STATEMENT OF CONTINUITY
for the year ended December 31, 1988

	Total	Welfare Trusts	Macassa Lodge Trusts	Wentworth Lodge Trusts
	$	$	$	$
BALANCE AT THE BEGINNING OF THE YEAR	**2,308,306**	8,023	1,291,000	1,009,283
Receipts				
Residents' Deposits	**4,379,224**	—	2,934,990	1,444,234
Interest Earned	**220,952**	—	131,250	89,702
	4,600,176	—	3,066,240	1,533,936
Disbursements				
Maintenance Payments	**3,479,467**	—	2,355,195	1,124,272
Residents' Charges	**581,814**	—	375,311	206,503
Payments to Estates	**345,418**	—	146,786	198,632
Payments on Discharge	**6,607**	—	703	5,904
	4,413,306	—	2,877,995	1,535,311
BALANCE AT THE END OF THE YEAR	**2,495,176**	8,023	1,479,245	1,007,908

BALANCE SHEET
as at December 31, 1988

	Total	Welfare Trusts	Macassa Lodge Trusts	Wentworth Lodge Trusts
	$	$	$	$
ASSETS				
Cash & Short-term Deposits	**2,440,993**	—	1,460,085	980,908
Long-term Securities	**46,000**	—	19,000	27,000
Share Certificates	**160**	—	160	—
Reserve Funds	**8,023**	8,023	—	—
	2,495,176	8,023	1,479,245	1,007,908
FUND EQUITY	**2,495,176**	8,023	1,479,245	1,007,908

All amounts are to the nearest dollar

The accompanying notes are an integral part of this financial statement

1. ACCOUNTING POLICIES

The financial statements of the Trust Funds of the Corporation of The Regional Municipality of Hamilton-Wentworth are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Accounting

Receipts and disbursements on the Statement of Continuity are reported on the cash basis of accounting.

2. INVESTMENTS

The investments totalling $1,857,968 (1987 - $1,895,308) reported on the Balance Sheet at cost, have a market value of $1,868,764 (1987 - $1,919,028) as at the end of the year.

AUDITORS' REPORT

To the Chairman,
The Members of Council,
Inhabitants, and Ratepayers
of the Corporation of
The Regional Municipality
of Hamilton-Wentworth.

We have examined the balance sheet of the Trust Funds of the Corporation of The Regional Municipality of Hamilton-Wentworth as at December 31, 1988, and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Trust Funds for the Corporation of The Regional Municipality of Hamilton-Wentworth as at December 31, 1988 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note (1) to the financial statements applied on a basis consistent with that of the preceding year.

Pannell Kerr MacGillivray

Hamilton, Ontario
March 8, 1989

PANNELL KERR MacGILLIVRAY
Chartered Accountants

The Regional Municipality of Hamilton-Wentworth was incorporated in 1973 by the Ontario Legislature and represents the upper-tier of a two-tier system of government. Six area municipalities, the Cities of Hamilton and Stoney Creek, the Towns of Ancaster, Dundas and Flamborough and the Township of Glanbrook comprise the lower-tier. The Region is governed by a Council of twenty-eight elected members, a Chairman and twenty-seven councillors. The elected membership is comprised of the Mayor and 16 Aldermen from the City of Hamilton, the Mayor and one Council Member from the five remaining local municipalities and the Chairman who is elected at large. Each member of Regional Council has one vote with the exception of the Chairman who only votes to break a tie. All powers of Regional Council are exercised through "Bylaws" or resolutions.

Hamilton-Wentworth has a Council-Committee-Chief Administrative Officer-Commissioner system of government. Council members form standing committees, each of which has specific responsibilities and reports to the Regional Council. The Chief Administrative Officer directs the daily operations of the Region through appointed department heads, ensures that all regional policies and procedures are complied with, and provides support to Regional Council.

Regional Government provides a broader base for directing urban development, providing required infrastructure, delivering integrated region wide services, and implementing co-ordinated planning and financing programs. Services felt to be dependent upon local needs continued to be the responsibility of Area Municipalities.

COMMITTEE STRUCTURE

CHAIRMAN AND REGIONAL COUNCIL

ECONOMIC DEVELOPMENT & PLANNING COMMITTEE	FINANCE & PERSONNEL COMMITTEE	ENGINEERING SERVICES COMMITTEE	HEALTH & SOCIAL SERVICES COMMITTEE
Economic Development and Planning	Chief Administrative Officer Finance Human Resources	Engineering	Health Social Services

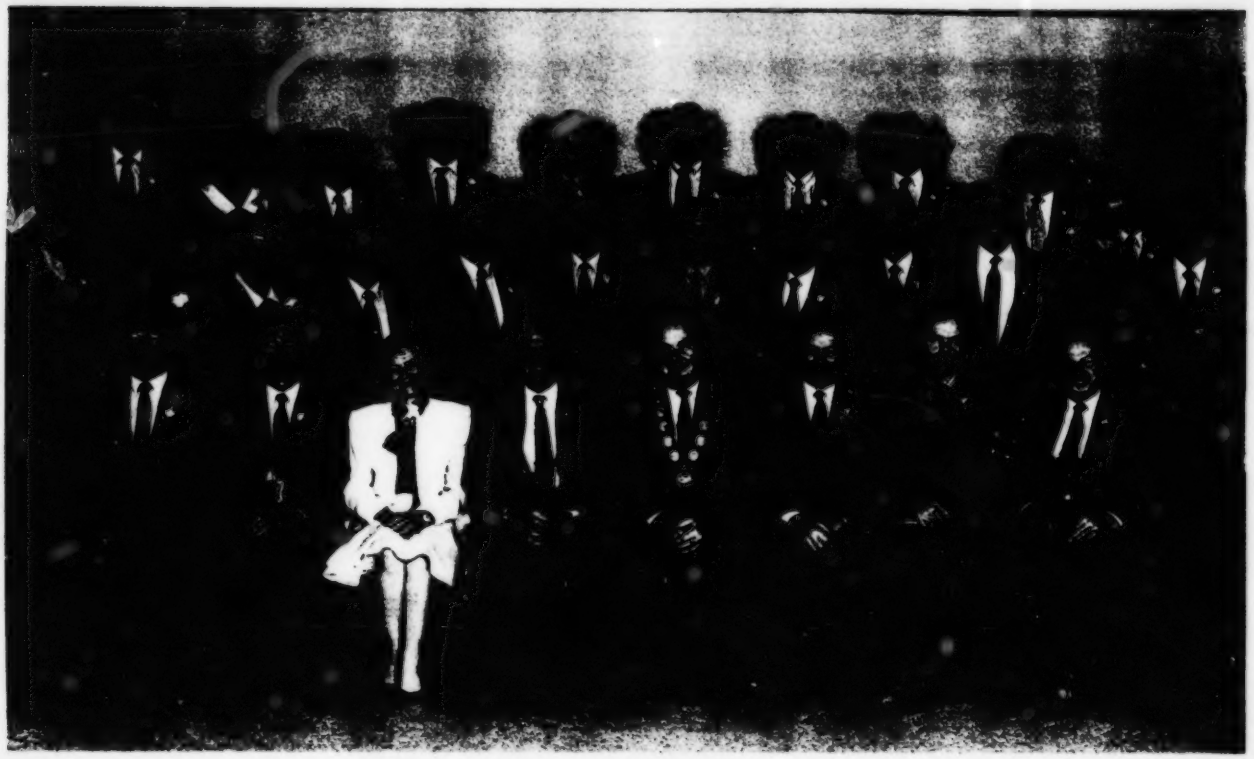
FREEWAY STEERING COMMITTEE	LEGISLATION & RECEPTION COMMITTEE	TRANSPORTATION SERVICES COMMITTEE	AIRPORT SERVICES COMMITTEE
Freeway	Clerk Solicitor	Transportation Hamilton Street Railway Canada Coach Lines	Hamilton Airport

BOARDS AND COMMISSIONS SUPPORTED BY REGION

D.A.R.T.S. BOARD	BOARD OF COMMISSIONERS OF POLICE	CONSERVATION AUTHORITIES	CHILDREN'S AID SOCIETIES
Disabled and Aged Regional Transit System	Police School Traffic	Halton Hamilton Region Grand River Niagara Peninsula	Catholic Children's Aid Children's Aid Society

LIBRARY BOARD	R.B.G. BOARD OF DIRECTORS
Wentworth Library	Royal Botanical Gardens

REGIONAL COUNCIL
Term: December 1988 to November 1991



Councillors

Front Row starting from left: *J. Robb, S. Napper, H. Bell, R. Morrow, R. Whynott (Regional Chairman), Wm. L. Sears (Past Regional Chairman), J. Addison, R. Wade*

Middle Row starting from left: *H. Merling, A. Sloat, G. Copps, B. Hodgson, D. Christopherson, B. Hinkley, T. Cooke, G. Etherington, D. Granger, T. Murray, T. Jackson*

Back Row starting from left: *J. Prentice, M. Kiss, J. Smith, D. Agostino, D. Ross, Wm. McCulloch, V. Agro, J. Gallagher, F. Lombardo, D. Drury*

Department of Finance

G. W. Lawson, CPFA, CGA
Commissioner of Finance

T. J. Bunce, CMA
Director of Administration

C. A. Mascarenhas, CMA
Director of Finance

D. J. Tyler, CPFA
Director of Accounting

J. P. Bruzzese, CGA
Director of Revenue

T. J. Carolan
Manager of Reporting and Accounting Services

D. C. Oak, CMA
Supervisor of Corporate Reporting

Internal Auditor

A. M. Pekaruk, CA

External Auditors

Pannell Kerr MacGillivray
Chartered Accountants

Fiscal Agency

Wood Gundy Inc.
Pemberton Securities Inc.

Banker

Bank of Montreal

REGIONAL SERVICES

W. M. CARSON
Chief Administrative Officer

Chief Administrative Officer

- provide overall direction, counsel and support for Regional departments

G. W. LAWSON
Commissioner of Finance

Finance and Treasury Services

- provide financial expertise, corporate reporting, accounting control and financial policy development
- provide sewer and water billing and customer services
- secure capital financing for the Region, Area Municipalities and School Boards
- prepare and monitor current and capital budgets
- provide corporate insurance services
- manage Regional and pension fund investments

M. J. SCHUSTER
Commissioner of Social Services

Social Services

- provide social and financial assistance to the unemployed, the unemployable and persons in need of temporary assistance
- operate Regional child development centres, day nurseries and home day care programs
- aid community, social and health agencies in their funding to provide support services in the community
- provide services and facilities for senior citizens through Homes for the Aged

C. MILLAR
Chief of Police

Board of Commissioners of Police

- prevent and detect crime within the Region
- protect persons and property
- maintain law and order
- provide safety instruction to youth including school traffic crossing guards
- apprehend and bring before the courts of law, alleged offenders
- reduce motor vehicle collisions through selective traffic enforcement

Engineering

- plan, design, construct and operate water treatment facilities and distribution systems
- plan, design, construct and operate sanitary sewage treatment facilities and sewage collection systems (also storm sewers in the City of Hamilton)
- plan, design, construct and maintain regional road system
- dispose of solid waste using transfer stations, landfill site and incinerator
- control subdivision servicing for the Region and City of Hamilton
- provide Engineering services to the City of Hamilton
- provide Regional laboratory services
- provide construction survey services

S. SPENCER
Commissioner of Engineering

Planning

- provide the most efficient and effective land use and development pattern in the Region
- provide economic analysis and policy development
- prepare and maintain Regional official plan
- process and report on plans of subdivisions and condominiums
- develop and maintain a centralized Regional Information Service

J. D. THOMS
Commissioner of Planning

Health Services

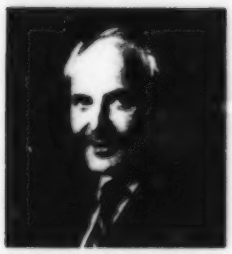
- promote and protect the health and well-being of the citizens of Hamilton-Wentworth
- prevent disease through inspection services
- provide nursing and counselling services
- establish a comprehensive program of health education, information, diagnosis and treatment of communicable diseases
- provide a preventive and educational dental program
- provide mental health services

DR. A. I. CUNNINGHAM
Medical Officer of Health

Economic Development

- maintain and expand local business
- attract new business to the Region
- develop industrial park lands
- promote tourism and conventions

S. GHANEM
Director of Economic Development



H. O. SCHWEINBENZ
Commissioner of Transportation

Transportation Services

- provide public transit system for the Region's citizens within the Region's boundaries
- provide public inter-city transit system to neighbouring Regions and catchment area
- maintain the public transit fleets and infrastructure

C. LOWE
Commissioner -
Human Resources Centre

Personnel Services

- provide personnel services and policies
- negotiate collective agreements
- provide occupation, health and safety services
- provide training and development
- employee assistance and suggestion programs

I. M. CALBICK
Chief Librarian

Libraries

- provide a full range of library service programs for the Wentworth Library Board which operates fifteen libraries throughout the municipalities of Ancaster, Flamborough, Glanbrook and Stoney Creek.

K. ANDERSON
Commissioner &
Corporate Counsel

Legal Services

- provide legal services to departments, committees, council, boards and agencies

Regional Clerk Services

- Council Secretariat
- Regional official documents and records management
- provide courier, mail, and printing services
- statutory responsibilities respecting Local Improvement Act, Secretary to Court of Revision
- provide access by public to Council records

P. NÓE JOHNSON
Regional Clerk

Airport

- administer and operate the airport to Transport Canada standards and safety requirements
- promote the airport to the aviation industry through personal contact and advertising

P. AINSWORTH
Airport Manager

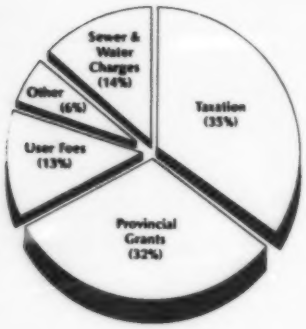
Mountain East-West and North-South Transportation Corridor Project Office

- manage and administer the planning, design and construction of the roadway facility consistent with the funding schedule
- undertake the acquisition and clearance of the necessary right-of-way, including utility relocation
- ensure the implementation of the roadway facility incorporates the required environmental protection features

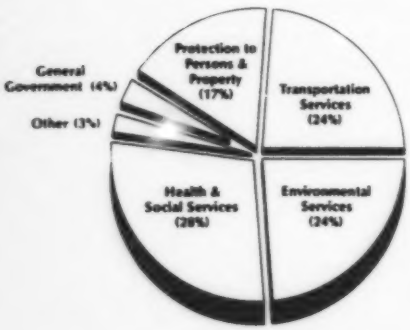
D. TURVEY
Project Director

CURRENT OPERATIONS

1988
CURRENT REVENUE



1988
CURRENT EXPENDITURE



Hamilton-Wentworth concluded its financial operations for the current year with a $3.5 million surplus. The 1988 surplus consists of supplementary taxes received from the Area Municipalities and applied against the succeeding year tax levy as required by Legislation. The money expended to provide services and benefits to the Region's inhabitants increased by 6% to a level of $310.1 million for the fiscal year ended December 31, 1988. Revenue to finance these expenditures totalled $313.6 million, 7% higher than the previous year.

Health and social services which includes public health, welfare and day care assistance, and two homes for the aged was the major current expenditure item at $86.4 million. Transportation related services ranked second in total at 24%, or $74.1 million. The transit operations of the Hamilton Street Railway and Canada Coach Lines accounted for $51.3 million or 69% of the total transportation costs. The balance of expenditures incurred in the transportation category included $17.9 million for roadway maintenance, $2.3 million for winter control, $1.6 million for airport operations and $1 million for the Disabled and Aged Regional Transit System. The $73.4 million spent on environmental services includes solid waste disposal and the costs associated with sanitary, water, and sewer line maintenance. Specific costs for environmental services include $26.1 million for the sanitary sewer system, $24.1 million for the waterworks system, $12.3 million for solid waste disposal, $4.6 million for the storm sewer system, and $6.3 million for pollution control and administrative costs. Police, representing the cost of providing protection to residents in the Region amounted to $48.7 million, making up 94% of the $51.6 million expended for protection services. The remaining expenditures of $24.6 million can be traced to general administration, recreation, cultural, planning and development services.

Functional classifications for revenue reporting include Ontario grants, Canada grants, general grants, fees and grants from other municipalities, fees and service charges, donations, taxation, and other revenue.

Over 81% of all revenue received to finance current operations was derived from three sources: taxation, direct water and sewer billings to ratepayers, and provincial subsidies. Levy on area municipalities accounted for $110 million, direct water and sewer charges produced $43.9 million, and provincial subsidies totalled $100 million. The majority of the remaining revenue came from user fees and service charges of $42.2 million, or 13% of the total. Other notable sources of revenue during the year included $11.6 million in grants and fees from other municipalities, $1.2 million from the sale of licenses, permits and equipment, fines of $.3 million, $.8 million in investment income, and a surplus from the previous year of $1.5 million.

Sports activity outside Copps Coliseum

Re-enactment of the Battle of Stoney Creek

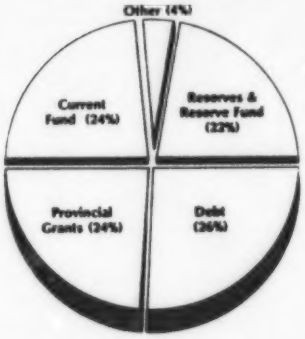
The Capital Fund accounts for the receipt and disbursement of significant funds used for the acquisition or construction of capital facilities. Expenditure will usually result in benefits to the Region lasting beyond one year and would include the acquisition and improvement of land, improvement or construction of buildings, engineering structures, roads, machinery, equipment, and major studies, used in providing Regional Services. The primary source for financing the Region's capital programs consists of internal borrowing, contributions from other governments, and current funds.

At the close of financial operations in 1988, revenue exceeded expenditure by $24.9 million. This represented a $9.9 million, or 66% increase over the $15 million recorded last year.

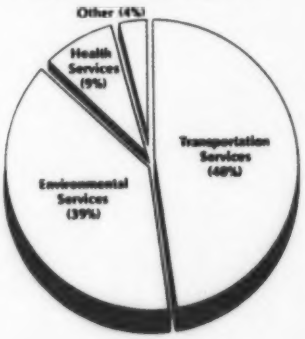
The Region's capital program in 1988 incurred expenditure of $68.5 million, an increase of 19% or $10.7 million over 1987. Transportation related projects continue to dominate capital spending totalling $32.6 million, or 48% of all expenditure. Roadway construction and repairs of $18.6 million and transit costs of $14 million make up the total capital expenditure for the transportation function. Capital outlay for environmental services represented the second largest spending area at $27 million, or 39% of the total. The expenditure breakdown included $9.3 million for maintenance and expansion of storm sewers, $9 million for the waterworks system, $8.4 million for sanitary sewers, and $.3 million for solid waste disposal. The cost of Health Services was $6.1 million, representing 9% of the total 1988 capital spending. Renovations being undertaken at two Homes for the Aged and a contribution to the area wide hospital expansion were responsible for the major portion of the spending in the health field. Other capital expenditure of $2.8 million make up the remainder, or 4% of the total.

The largest proportion of capital financing continues to come from internal sources in accordance with the Pay-As-You-Go Capital Spending Policy. Long term debt was not utilized as a source of financing in 1988, maintaining a practice established several years ago. Of the total $78.5 million in revenue reported in the Capital Fund, 61% came from internal sources, compared to 70% in the preceding year. Contributions from the Current Fund and Reserves and Reserve Fund amounted to $26.1 million and $21.9 million respectively. Provincial Grants of $25.7 million and Other Revenue of $4.8 million comprised the remaining 39% share.

1988
CAPITAL REVENUE



1988
CAPITAL EXPENDITURE



RESERVES AND RESERVE FUND

The Reserves and Reserve Fund are used to account for proceeds of specific revenue sources that are legally or otherwise restricted to expenditure for specified purposes including current operating programs and/or for capital outlays. The Region classifies reserves into three categories for management planning and control purposes; Reserves Supporting Capital Financing, Capital Reserves, and Other Allocated Reserves.

The Region's Reserves and Reserve Fund balance increased 10% to $85.4 million, compared to a balance of $77.9 million in 1987. Contributions from the Current and Capital Fund comprised 43% of the total $38.8 million in revenue recorded in this fund. Earnings of $7.5 million were realized on the investment of reserve fund balances, representing 20% of total revenue. Proceeds from sales, fees, contributions from developers, and local improvement recoveries made up the balance of revenue received. Financing of capital programs accounted for 77% of the total $31.2 million in expenditure from the Reserves and Reserve Fund in 1988.

Autumn colours in Ancaster

Royal Hamilton Military Institute

The following individuals or organizations contributed photos to this year's annual report:

David Seldon, top left	cover
Paul Sparrow, bottom, top right	cover
Paul Sparrow	page 2
David Gruggen, top	page 3
Canadian Warplane Heritage, bottom	page 3
Paul Sparrow	page 30
David Gruggen	page 38
David Seldon	page 39
David Gruggen (2 photos)	page 40